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DAVE COLLOGAN/EDITOR
KATHRYN BLEDSOE/ASSISTANT EDITOR
1156 15th STREET, N.W./WASHINGTON, D.C. 20005
PHONE: (202) 822-4600/TELEX: 89-2447

BILL WOULD SUSPEND USER TAXES IF TRUST FUND TOPS $1 BILLION

A bill that would suspend collection of aviation user taxes whenever the Airport and Airways Trust Fund balance is greather than $1 billion, will be introduced by Rep. Dan Glickman (D-Kan.) shortly after Congress returns from its July 4 recess. Glickman, who sent a letter detailing the bill to several airlines and aviation trade groups in Washington, D.C. last week, accused the Reagan Administration of "allowing the (trust fund) balance to grow and using it to reduce the deficit. That, in my view, is a misuse of taxes."

The bill requires the Secretary of Transportation, no later than December 15 of each calendar year, to estimate the unobligated balance of the Airport and Airway Trust Fund as of December 31. If it is determined that the unobligated balance will exceed $1 billion, excise taxes on aviation fuels, gasoline, tires and tickets will be suspended for the following year. After making the determination, the Secretary will publish the estimate in the Federal Register and will make clear at that time whether or not the excise taxes will be applied during the following year.

Glickman said he was concerned that the "Administration has slowed the pace of spending the trust fund monies." He said the Administration has estimated an unspent balance of approximately $9 billion by the end of the current fiscal year. Balance at the end of April, the last month for which figures were available, was $7.8 billion. Glickman said a recently released report from the General Accounting Office projected a balance of approximately $12 billion by 1991, if the current pace of spending is maintained. "While there is no question of the need to balance the budget," he said, "the aviation trust fund is not the way to do it, especially when the air transportation system has so many critically needed improvements."

FAA PAPER QUESTIONS AIRWORTHINESS OF FOREIGN CERTIFICATED PARTS

Aircraft parts maintained in a foreign country are not prohibited from being used on a U.S.-registered aircraft as long as "an appropriate conformity and airworthiness inspection" is performed by a U.S. carrier or domestic repair station, according to a Federal Aviation Administration policy paper on foreign repair station privileges and reponsibilities. The paper states the inspections must be of "sufficient depth" to determine the condition of the product and to assure compliance with all airworthiness requirements, including life limits applicable to the product or part. Regional Airline Association and Air Transport Association met with FAA on the paper last week (BA, June 23/194).

Requirements to determine a product's conformity include complete records showing prior maintenance performed; compliance with all applicable airworthiness directives; review of any deviation from U.S. type design; inventory of new parts; current inspection status of all products not newly overhauled; and records of life-limited parts installed on the product. Also necessary to determine conformity is an inspection to be performed by a person with demonstrated experience. Inspection results will then be combined with requirements, and a complete record of the last overhaul in a final prouct report.

Alan Stephen, executive vice president of the Regional Airline Association, said while he had not fully reviewed the paper, saw it as having a strong impact. "I see the results of this as quite severe...it is going to be very costly."

NOW ONLINE WORLDWIDE

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THREE OTHER COMPANIES JOIN PIPER IN LSI AIRCRAFT GROUP — Lear Siegler, Inc. has added three other firms to the company's Aircraft Group, which formerly had included only Piper Aircraft. The firms being added to the Aircraft Group, which will continue to be headed by Robert J. Wyma, group vice president, are: Romec, Elyria, Ohio; the Power Equipment Division, Maple Heights, Ohio; and, the Management Services Division, Oklahoma City, Okla. Romec manufactures pumps and fluid handling systems for aircraft, aerospace, ordnance and ground support applications. The Power Equipment Division designs and builds generating systems, high-speed motors, servo actuation devices and electromechanical equipment for the aerospace, missile, ordnance and ground sectors. Management Services Division offers a wide variety of support services for the aerospace industry, including field operation, maintenance and repair and modification of land, air and marine vehicles. It also provides transient aircraft services at military installations as well as flight simulator operation and maintenance. Wyma will continue to be based at Piper headquarters in Vero Beach, Fla.

FAA PLANS HEARING ON HOUSTON TERMINAL CONTROL AREA — FAA will hold a hearing July 15 in Houston on its plan to lower the top of the Houston terminal control area from 4,000 feet to 3,000 feet in preparation for the opening next February of a new runway at Houston Intercontinental Airport. The agency said it wants to impose the tighter controls on both the east and west edges of the area to "fully contain all aircraft executing approaches to and departures from" the new runway. FAA said the action is necessary to ensure that "all turbine-powered aircraft remain within the confines of the area while executing approach and departure procedures" and to provide necessary airspace to conduct simultaneous parallel instrument approaches.

REPORT SHOWS DECREASED FBO, AIR TAXI ACTIVITY IN MOST AREAS — Full-time employment at fixed-base operations and air taxi centers nationwide was down approximately six percent in the first quarter of 1986, but the overall level of flight instruction increased an average of 10 percent nationwide, according to the National Air Transportation Association. Information, which compares the first quarter of 1986 with 1985's first quarter, was collected in NATA's new quarterly monitoring system of member company operations. Despite the overall decrease in full time employment, operators in the Northeast region reported a 37 percent increase in this area. Fuel sales remained for the most part at the same level, with the exception of the Northeast region, which reported an average eight percent increase in avgas sales and a 23 percent increase in jet fuel sales. Eastern, Northwest and Western regions saw increases of as much as 20 percent in aircraft rental hours. While shop hours decreased by five percent nationwide, the Eastern region experienced increases of 26 percent in maintenance activity. Results are based on responses from 145 member companies (see chart on the back of this page).

ROGERSON ACQUIRES THREE GERMAN DIVISIONS OF KOLLSMAN — Rogerson Aircraft Corp. announced the acquisition of three German divisions of Kollsman Instrument Co., a subsidiary of Sun Chemical Co. The divisions, with combined annual sales of about $13 million, are: Kollsman System-Technik GmbH of Munich; Bavaria Keytronic Technology GmbH of Hamburg; and, Rutherford System Technik GmbH, of Hamburg. Rogerson President Michael J. Rogerson said acquisition of the three firms—which will operate as subsidiaries of Rogerson Aircraft GmbH—"is a major step in satisfying a long-held corporate strategy of broadening our capability in Europe."

Kollsman System-Technik manufactures altimeters and aircraft pressure devices for commercial and military aircraft; Bavaria Keytronic makes instrument panels and camera equipment used for aerial reconnaissance; Rutherford System-Technik manufactures automated vital sign monitors for the critical care patient industry. Rogerson Aircraft Corp. manufactures helicopters and aircraft electrical systems and components. It is headquartered in Irvine, Calif.

FAA PROPOSES SEPARATE POWER SOURCE FOR PUBLIC ADDRESS SYSTEMS — Federal Aviation Administration has published an NPRM which would require newly built transport aircraft to be equipped with independently-powered public address systems for use by crewmembers. NPRM, which applies to aircraft with more than 19 passenger seats that are manufactured one year after the date the final rule becomes effective, would add no more than $550 to the cost of the aircraft. Comments on the proposal should be mailed in duplicate to FAA, Office of the Chief Counsel, Attn: Rules Docket (AGC-204), Docket No. 24995, 800 Independence Ave., S.W., Washington, D.C. 20591 by Nov. 24.

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GENERAL AVIATION OPERATIONAL PROFILE

Comparison of First Quarter Activity *

1986 vs. 1985

	Industry Wide Change	Change in Activity by FBO Size				Change in Activity by FAA Region							
		1-15 Employees	16-30 Employees	31-50 Employees	over 50 Employees	CE	EA	GL	NE	NW	SO	SW	WE
	%	%	%	%	%	%	%	%	%	%	%	%	%
FULL-TIME EMPLOYEES	-6	-3	3	-3	-6	-15	3	3	37	-7	-4	-4	-7
FUEL SALES (gallons)													
Avgas	-2	-1	3	-3	-4	-4	2	-20	8	-3	-1	4	-5
Jet Fuel	-1	-2	16	1	-7	-9	-4	-9	23	-11	2	6	-7
Airline Contract	-3	-19	-1	4	5	34	-8	-16	46	-3	38	24	0
FLIGHT ACTIVITY (hours)													
Flight Instruction	10	12	2	-1	21	8	21	-15	-4	43	-9	16	33
Aircraft Rental	-4	-1	-2	6	13	20	7	-5	-10	34	3	-10	2
Air Taxi	-1	-9	-1	1	6	10	-6	-5	32	10	-13	-8	-1
MAINTENANCE													
Shop Hours	-5	-4	12	0	-8	-22	26	7	13	-4	4	-17	2

* Based on responses to the NATA study.

Chart by NATA